

COUNCIL AGENDA: 04-13-10

ITEM: 2.9

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Katy Allen  
Albert Balagso  
Jennifer A. Maguire

**SUBJECT:** SEE BELOW

**DATE:** March 22, 2010

Approved

Date

4-2-10

**COUNCIL DISTRICT:** 7  
**SNI AREA:** Tully/Senter

**SUBJECT: ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS IN THE SERVICES FOR REDEVELOPMENT CAPITAL PROJECTS FUND (CITY-SIDE REDEVELOPMENT FUND) IN THE AMOUNT OF \$504,800 FOR 2009-2010 AND ADOPTION OF RESOLUTIONS MAKING CERTAIN DETERMINATIONS REGARDING THE EXPENDITURE OF AGENCY FUNDS ON CERTAIN PUBLIC IMPROVEMENTS**

## RECOMMENDATION

- 1) Adopt the following Appropriation Ordinance and Funding Sources Resolution amendments in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Fund) for 2009-2010:
  - a) Increase the estimate for Earned Revenue by \$504,800;
  - b) Establish an appropriation to the Department of Public Works for the Municipal Stadium Transformer Replacement Project (PSM 602) in the amount of \$24,800; and
  - c) Establish an appropriation to the Parks Recreation and Neighborhood Services Department for the Nisich Park Project (PSM 604) in the amount of \$480,000.
- 2) It is also recommended that the Council adopt resolutions making certain determinations regarding the related expenditure of Redevelopment Agency funds on certain public improvements in connection with
  - a) The Municipal Stadium Transformer Replacement Project as more specifically described in the memorandum from the Redevelopment Agency, dated January 29, 2009 attached hereto, and
  - b) The Nisich Park Project as more specifically described in the memorandum from the Redevelopment Agency, dated February 24, 2010 attached hereto.

HONORABLE MAYOR AND CITY COUNCIL

03-22-10

SUBJECT: **ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES  
RESOLUTION AMENDMENTS IN THE SERVICES FOR REDEVELOPMENT  
CAPITAL PROJECTS FUND (CITY-SIDE REDEVELOPMENT FUND).**

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## **OUTCOMES**

The City Council's approval of the recommended actions will provide for mechanical and electrical improvements at the Municipal Stadium site and provide partial funding for the construction phase for the development of Nisich Park.

## **BACKGROUND**

The San Jose Redevelopment Agency has requested City services in the implementation of Agency projects. These proposed amendments are necessary to account for City-side expenditures on Redevelopment Agency projects.

## **ANALYSIS**

### **Municipal Stadium Transformer Replacement Project**

The Municipal Stadium Transformer Replacement Project consists of the construction of mechanical and electrical improvements related to replacing two existing electrical transformers at the Municipal Stadium site. This project would provide funding for the Public Works Department for plan check review, approval and permitting, participation in coordination meetings, pre-construction meetings, and construction inspection services to insure code compliance and the incorporation of City design, quality, and maintenance standards into the construction documents. The Redevelopment Agency will coordinate with the design consultant to prepare, complete, and manage all construction documents. The source of funding for this project would be a transfer from the Redevelopment Agency in the total amount of \$24,800.

### **Nisich Park Project**

The Nisich Park Project provides partial funding for the construction phase of the Nisich Park Project in the Tully-Senter neighborhood. Improvements will include the removal of existing structures, replacement of north and west property fences, the installations of various play structures (bocce ball court, tennis court, half-basket ball court), irrigation, arbor, paving, lighting, landscaping, turf areas, and miscellaneous site furnishings. Ultimately the development and installation of the Nisich Park will help eliminate blight and enhance the neighborhood to a more desirable place to live and visit. The total budget for the construction phase of this project is \$1.5 million of which the Redevelopment Agency is funding 31.6% through this PSM. The remainder of the project is budgeted in the Park Trust Fund and the Council District 7 Construction and Conveyance Tax Fund which would be mostly reimbursed by the Proposition 40 Roberti Z'Berg-Harris State Grant (\$825,000). The Department of Public Works will be responsible for the design, design/build structural review and approval of the arbor, permitting and inspection services, and construction management. The Public Works and the Parks, Recreation, and Neighborhood Services Departments are responsible for this funding. The

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source of funding for this project would be a transfer from the Redevelopment Agency in the total amount of \$480,000.

### **EVALUATION AND FOLLOW-UP**

These projects are currently within budget and on schedule. No additional follow up actions with the Council are expected at this time.

### **POLICY ALTERNATIVES**

Not applicable

### **PUBLIC OUTREACH/INTEREST**

- ☐ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or Greater. **(Required: Website Posting)**
- ☐ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-Mail Website Posting)**
- ☐ **Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this project does not meet the \$1 million threshold for Criterion 1, this memorandum is posted on the City's website for the April 13th, 2010 Council Agenda.

### **COORDINATION**

This project and memorandum have been coordinated with the City Attorney's Office and the San Jose Redevelopment Agency.

### **FISCAL/POLICY ALIGNMENT**

These projects are consistent with the Council-approved Budget Strategy to continue with capital improvement projects that keep money flowing to our economy.

### **COST IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION/ COST OF PROJECTS: \$504,800
2. SOURCE OF FUNDING: 450 - Services For Redevelopment Capital Projects Fund

HONORABLE MAYOR AND CITY COUNCIL

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SUBJECT: **ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES  
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3. OPERATING COSTS:

After department review, the Municipal Stadium Transformer Replacement Project does not anticipate any ongoing operating and maintenance costs in relation to the services provided by this funding.

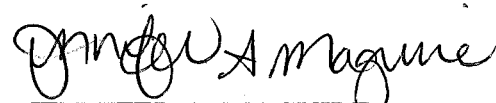
The operating and maintenance impact on the General Fund for Nisich Park is anticipated to be \$15,000 annually beginning in 2011-2012. This funding was included in the Official 2011-2015 General Fund Forecast, which was released on February 28, 2010.

**CEQA**

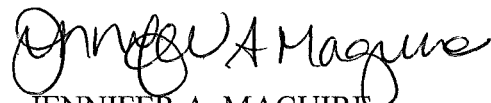
CEQA: Municipal Stadium Transformer Replacement Project: Exempt, File No. PP09-015  
Nisich Park Project : Exempt, File No. PP06-164, dated November 2, 2006

/s/  
KATY ALLEN  
Director, Public Works Department

/s/  
ALBERT BALAGSO  
Director, Parks Recreation and  
Neighborhood Services

  
JENNIFER A. MAGUIRE  
Budget Director

I hereby certify that there will be available for appropriation in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Capital Fund) in the Fiscal Year 2009-2010 monies in excess of those heretofore appropriated there from, said excess being at least \$504,800.

  
JENNIFER A. MAGUIRE  
Budget Director

For more information regarding this project, contact:

Stadium Transformer Replacement Project: Fred Sabour, Project Manager (408) 535-8420  
Nisich Park Project: Evelyn Velez-Rosario, Parks Manager (408) 793-5552

2/2/10

HONORABLE MAYOR, CITY  
COUNCIL AND AGENCY  
BOARD

HARRY S. MAVROGENES  
EXECUTIVE DIRECTOR

SEE BELOW

JANUARY 29, 2009

SUBJECT: AGREEMENTS WITH SAN JOSE GIANTS AND  
AUTHORIZATION FOR IMPROVEMENTS TO MUNICIPAL  
STADIUM

RECOMMENDATIONS

It is recommended that

- (a) The Redevelopment Agency Board approve a grant agreement with Progress Sports Management (dba the San Jose Giants) and the City of San Jose, in an amount not to exceed \$375,000, for improvements to the San Jose Municipal Stadium.
- (b) Adoption of a resolution by the City Council making certain determinations required by law for Redevelopment Agency funding of a public project.

OUTCOME

Approval of this grant will enable the Giants to complete certain facility improvements prior to the beginning of the baseball season in April 2009 and to identify the process for designing and implementing other, longer term, improvements to this City-owned facility.

BACKGROUND

In the Adopted FY 2008-09 Redevelopment Agency budget, \$600,000 was allocated for improvements to Municipal Stadium. The San Jose Giants are the lessees of this City-owned facility. The San Jose Arena Authority is charged by the City Council to work with the Giants to develop a capital improvement program to improve both the stadium and the visitor experience.

## ANALYSIS

San Jose's Municipal Stadium is located at the southwest corner of Senter Road and Alma Avenue, adjacent to the San Jose Ice facility, and across Alma Avenue from San Jose State University, in the Strong Neighborhoods Initiative Redevelopment Project Area. (site map attached) It was built in 1942 and much of the building infrastructure remains unchanged from that date. Consequently, there is an array of improvements needed to help the building function both on an athletic and a fan appreciation level.

With the adoption of the Agency's budget and appropriation of funds to begin improving the stadium, Agency, City, Arena Authority and Giants' staffs have met to outline a program of improvements. The first and most critical improvements that can be accomplished before the opening day of the season on April 9, 2009, are the addition of right field bleachers and installation of new concession equipment. Other projects that can be accomplished prior to the season include new lockers for the players, protective netting for spectators in the outdoor barbeque area, and new storage sheds. Once the season is underway, the opportunity to do construction is limited. During this time period though, the Agency and Giants will select a design team to begin construction documents for improvements to the restrooms and concession areas. It is anticipated that these improvements would begin in September 2009.

The Giants have solicited quotes for all of the equipment so the vendors can meet the desired opening day timing. The Giants will provide the labor to erect and install the new equipment. The grant provides up to \$375,000 for the purchase and delivery of new bleachers, concession equipment, lockers, netting, and storage sheds. The Redevelopment Agency will provide the funds for each purchase based on submittal of invoices provided by the Giants.

The remaining \$225,000 of the project budget will be managed by the Redevelopment Agency for the design and construction of facility improvements. The initial projects identified as essential to the successful operation of the facility are upgrades to the women's restroom and the modernization of the concession areas. Staff anticipates selection of a project architect in February, completion of design work in June, bidding in July and construction in September 2009. Staff will return to the Board as these agreements and contracts move forward.

## 33445 FINDINGS

1. The public improvements will be of benefit to the Strong Neighborhoods Initiative Redevelopment Project Area.

The public improvements will benefit the Strong Neighborhoods Initiative Redevelopment Project Area by improving the spectator and visitor experience in this historically significant structure, thereby increasing public use of the building and improving the economic success of the various sports and entertainment entities that use it. Specific blighting conditions that will be addressed by these projects include the deteriorating building conditions that lead to loss of economic value, such as insufficient public restroom facilities and lack of sufficient seating capacity. All work will occur within the Project Area.

2. There are no other reasonable means of funding the public improvements.

This project is not included in the City's Capital Budget.

3. The public improvements will assist in the elimination of one or more blighting conditions in the Project Area.

The City Council and Agency Board made a formal determination that blight exists in the Project Area prior to the establishment of the Strong Neighborhoods Initiative Redevelopment Project Area. These improvements allow the continued and improved use of this important city facility. Improving the customer and spectator experience will likely help increase attendance at sporting events, better enable the facility to accommodate not only professional baseball, but increase its use for wider community events, such as San Jose State University and various high school baseball games.

4. The public improvements are consistent with the adopted Five-Year Implementation Plan for the Redevelopment Project Area.

The Adopted Five-Year Implementation Plan calls for improvements to public facilities.

Goal: Provide quality community facilities serving the diverse population of the Project Area

Objectives:

- Rehabilitate and expand existing community facilities.

Goal: Rehabilitate and preserve historic buildings

Objectives:

- Preserve significant historic structures, both commercial and residential, through rehabilitation programs.
- Promote viable reuse of buildings with historic character.
- Protect historic character in older neighborhoods.

EVALUATION AND FOLLOW-UP

These projects will be reported in the Redevelopment Agency's monthly Projects Under Construction Report and its Quarterly Capital Improvements Report.

PUBLIC OUTREACH/INTEREST

The proposed action does not meet any of the criteria noted below for added outreach efforts. This staff report will be posted on the Agency's website and made available for public review in the Agency's public lobby area.

- ☐ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- ☐ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City.
- ☐ **Criterion 3:** Consideration of proposed changes to service delivery, programs, or staffing that may have impacts to community services and have been identified by staff, the Board or Council, or a community group that requires special outreach.

COORDINATION

This report and these projects have been coordinated with the City Manager's Office, the Arena Authority and the Agency's General Counsel.

FISCAL IMPACT

Funding for this project is included in the Redevelopment Agency's Adopted FY 2008-09 Capital Budget, in the Merged Area – Municipal Stadium project line item.



CEQA

Exempt, File No. PP09-015

HARRY S. MAVROGENES  
Executive Director

Attachment

# THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

## MEMORANDUM

TO: KENN LEE CAPITAL BUDGET COORDINATOR	FROM: CINDY HO NEIGHBORHOOD TEAM MANAGER
SUBJECT: SEE BELOW	DATE: February 24, 2010
APPROVED:	DATE:
SUBJECT: DETERMINATIONS REGARDING FUNDS TRANSFERRED TO THE CITY FOR PUBLIC IMPROVEMENT PROJECT	

The Redevelopment Agency has transferred \$480,000 to the Department of Parks, Recreation, and Neighborhood Services for the Nisich Park Project in the Tully-Senter Strong Neighborhoods Initiative Redevelopment Project Area. Funding will come from the Nisich Park line item in the amount of \$480,000 as approved per the Tully-Senter NAC.

Section 33445 of the Redevelopment Law requires the City Council to make certain determinations with respect to publicly owned improvements funded by the Redevelopment Agency. The required findings are as follows:

1. The project, which includes physical improvements to Nisich Park as described below, will benefit the Tully-Senter neighborhood and the Strong Neighborhoods Initiative Redevelopment Project Area. Improvements will include the removal of existing structures, replacement of north and west property fences, the installation of a youth playground, bocce ball court, tennis court, half-basketball court, seatwalls, irrigation, arbor, decorative paving, security lights, turf areas, landscaping, and miscellaneous site furnishings.
2. Although a portion of the project is currently included in the City's Capital Budget; based on the scope and cost of the project, there are no other reasonable means of financing the project available to the City without the financial contribution from the Redevelopment Agency.
3. This project will help eliminate blight in the area by removing vacant structures and installing a new neighborhood park in an underserved

area. This park development will make the neighborhood a more desirable place to visit and live.

4. The implementation plan for the Strong Neighborhoods Initiative Redevelopment Project Area includes the improvement of neighborhood parks.

Please proceed to incorporate the necessary findings for the public project identified above into a future City Council memo requesting Adoption of Appropriation Ordinance and Funding Sources Resolution Amendments to the City-side Redevelopment Fund.



CINDY HO  
Neighborhood Team Manager

Attachment

cc: David Baum  
Tom Murtha